

110TH CONGRESS
1ST SESSION

H. R. 1985

To foster the development of minority-owned small businesses.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 2007

Mr. CUMMINGS introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To foster the development of minority-owned small businesses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Minority Entrepre-
5 neurship Development Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) in 2005, the African American unemploy-
9 ment rate was 9.5 percent and the Hispanic Amer-

1 ican unemployment rate was 6 percent, well above
2 the national average of 4.7 percent;

3 (2) Hispanics Americans represent 12.5 percent
4 of the United States population and approximately
5 6 percent of all United States businesses;

6 (3) African Americans account for 12.3 percent
7 of the population and only 4 percent of all United
8 States businesses;

9 (4) Native Americans account for approximately
10 1 percent of the population and .9 percent of all
11 United States businesses;

12 (5) entrepreneurship has proven to be an effec-
13 tive tool for economic growth and viability of all
14 communities;

15 (6) minority-owned businesses are a key ingre-
16 dient for economic development in the community,
17 an effective tool for creating lasting and higher-pay-
18 ing jobs, and a source of wealth in the minority com-
19 munity; and

20 (7) between 1987 and 1997, revenue from mi-
21 nority-owned firms rose by 22.5 percent, an increase
22 equivalent to an annual growth rate of 10 percent,
23 and employment opportunities within minority-
24 owned firms increased by 23 percent.

1 **SEC. 3. DEFINITIONS.**

2 In this Act—

3 (1) the terms “Administration” and “Adminis-
4 trator” mean the Small Business Administration
5 and the Administrator thereof, respectively;

6 (2) the term “eligible association or organiza-
7 tion” means an association or organization that—

8 (A) is—

9 (i) a national minority business asso-
10 ciation organized in accordance with sec-
11 tion 501(c)(6) of the Internal Revenue
12 Code of 1986; or

13 (ii) a foundation of national minority
14 business associations organized in accord-
15 ance with section 501(c)(3) of the Internal
16 Revenue Code of 1986;

17 (B) has a well established national network
18 of local chapters, or a proven national member-
19 ship; and

20 (C) has been in existence for at least the
21 10-year period before the date of awarding a
22 grant under section 6;

23 (3) the term “eligible educational institution”
24 means an institution that is—

25 (A) a public or private institution of higher
26 education (including any land-grant college or

1 university, any college or school of business, en-
2 gineering, commerce, or agriculture, or commu-
3 nity college or junior college) or any entity
4 formed by 2 or more institutions of higher edu-
5 cation; and

6 (B) a—

7 (i) historically Black college;

8 (ii) Hispanic-serving institution; or

9 (iii) tribal college;

10 (4) the term “historically Black college” means
11 a part B institution, as that term is defined in sec-
12 tion 322 of the Higher Education Act of 1965 (20
13 U.S.C. 1061);

14 (5) the term “Hispanic-serving institution” has
15 the meaning given that term in section 502 of the
16 Higher Education Act of 1965 (20 U.S.C. 1101a);

17 (6) the term “institution of higher education”
18 has the meaning given that term in section 101 of
19 the Higher Education Act of 1965 (20 U.S.C.
20 1101);

21 (7) the term “small business concern” has the
22 meaning given that term in section 3 of the Small
23 Business Act (15 U.S.C. 532);

1 (8) the term “small business development cen-
 2 ter” has the meaning given that term in section 21
 3 of the Small Business Act (15 U.S.C. 648); and

4 (9) the term “tribal college” has the same
 5 meaning as the term “tribally controlled college or
 6 university” under section 2(a)(4) of the Tribally
 7 Controlled Community College Assistance Act of
 8 1978 (25 U.S.C. 1801(a)(4)).

9 **SEC. 4. MINORITY SMALL BUSINESS DEVELOPMENT.**

10 (a) IN GENERAL.—The Small Business Act (15
 11 U.S.C. 631 et seq.) is amended—

12 (1) by redesignating section 37 as section 38;
 13 and

14 (2) by inserting after section 36 the following:

15 **“SEC. 37. MINORITY SMALL BUSINESS DEVELOPMENT.**

16 **“(a) OFFICE OF MINORITY SMALL BUSINESS DE-**
 17 **VELOPMENT.**—There is established in the Administration
 18 an Office of Minority Small Business Development, which
 19 shall be administered by the Associate Administrator for
 20 Minority Small Business Development appointed under
 21 section 4(b)(1) (in this section referred to as the ‘Asso-
 22 ciate Administrator’).

23 **“(b) ASSOCIATE ADMINISTRATOR FOR MINORITY**
 24 **SMALL BUSINESS DEVELOPMENT.**—The Associate Ad-
 25 ministrator shall—

1 “(1) be—

2 “(A) an appointee in the Senior Executive
3 Service who is a career appointee; or

4 “(B) an employee in the competitive serv-
5 ice;

6 “(2) be responsible for the formulation, execu-
7 tion, and promotion of policies and programs of the
8 Administration that provide assistance to small busi-
9 ness concerns owned and controlled by minorities;

10 “(3) act as an ombudsman for full consider-
11 ation of minorities in all programs of the Adminis-
12 tration (including those under section 7(j) and 8(a));

13 “(4) work with the Associate Deputy Adminis-
14 trator for Capital Access of the Administration to
15 increase the proportion of loans and loan dollars,
16 and investments and investment dollars, going to mi-
17 norities through the finance programs under this
18 Act and the Small Business Investment Act of 1958
19 (including subsections (a), (b), and (m) of section 7
20 of this Act and the programs under title V and parts
21 A and B of title III of the Small Business Invest-
22 ment Act of 1958);

23 “(5) work with the Associate Deputy Adminis-
24 trator for Entrepreneurial Development of the Ad-
25 ministration to increase the proportion of counseling

1 and training that goes to minorities through the en-
2 trepreneurial development programs of the Adminis-
3 tration;

4 “(6) work with the Associate Deputy Adminis-
5 trator for Government Contracting and Minority En-
6 terprise Development of the Administration to in-
7 crease the proportion of contracts, including through
8 the Small Business Innovation Research Program
9 and the Small Business Technology Transfer Pro-
10 gram, to minorities;

11 “(7) work with the partners of the Administra-
12 tion, trade associations, and business groups to iden-
13 tify and carry out policies and procedures to more
14 effectively market the resources of the Administra-
15 tion to minorities;

16 “(8) work with the Office of Field Operations
17 of the Administration to ensure that district offices
18 and regional offices have adequate staff, funding,
19 and other resources to market the programs of the
20 Administration to meet the objectives described in
21 paragraphs (4) through (7); and

22 “(9) report to and be responsible directly to the
23 Administrator.

1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to carry out this sec-
 3 tion—

4 “(1) \$5,000,000 for fiscal year 2007;

5 “(2) \$5,000,000 for fiscal year 2008; and

6 “(3) \$5,000,000 for fiscal year 2009.”.

7 (b) CONFORMING AMENDMENTS.—Section 4(b)(1) of
 8 the Small Business Act (15 U.S.C. 633(b)(1)) is amended
 9 in the sixth sentence, by striking “Minority Small Busi-
 10 ness and Capital Ownership Development” and all that
 11 follows through the end of the sentence and inserting “Mi-
 12 nority Small Business Development.”.

13 **SEC. 5. MINORITY ENTREPRENEURSHIP AND INNOVATION**
 14 **PILOT PROGRAM OF 2007.**

15 (a) IN GENERAL.—The Administrator may make
 16 grants to eligible educational institutions—

17 (1) to assist in establishing an entrepreneurship
 18 curriculum for undergraduate or graduate studies;
 19 and

20 (2) for placement of a small business develop-
 21 ment center on the physical campus of the institu-
 22 tion.

23 (b) USE OF FUNDS.—

24 (1) CURRICULUM REQUIREMENT.—

1 (A) IN GENERAL.—An eligible educational
2 institution receiving a grant under this section
3 shall develop a curriculum that includes train-
4 ing in various skill sets needed by successful en-
5 trepreneurs, including—

6 (i) business management and mar-
7 keting, financial management and account-
8 ing, market analysis and competitive anal-
9 ysis, and innovation and strategic plan-
10 ning; and

11 (ii) additional entrepreneurial skill
12 sets specific to the needs of the student
13 population and the surrounding commu-
14 nity, as determined by the institution.

15 (B) FOCUS.—The focus of the curriculum
16 developed under this paragraph shall be to help
17 students in non-business majors develop the
18 tools necessary to use their area of expertise as
19 entrepreneurs.

20 (2) SMALL BUSINESS DEVELOPMENT CENTER
21 REQUIREMENT.—Each eligible educational institu-
22 tion receiving a grant under this section shall open
23 a small business development center that—

1 (A) performs studies, research, and coun-
2 seling concerning the managing, financing, and
3 operation of small business concerns;

4 (B) performs management training and
5 provides technical assistance regarding small
6 business concern participation in international
7 markets, export promotion and technology
8 transfer, and the delivery or distribution of
9 such services and information;

10 (C) offers referral services for entre-
11 preneurs and small business concerns to busi-
12 ness development, financing, and legal experts;
13 and

14 (D) promotes market-specific innovation,
15 niche marketing, capacity building, inter-
16 national trade, and strategic planning as keys
17 to long term growth for its small business con-
18 cern and entrepreneur clients.

19 (c) GRANT AWARDS.—

20 (1) IN GENERAL.—The Administrator may not
21 award a grant under this section to a single eligible
22 educational institution—

23 (A) in excess of \$1,000,000 in any fiscal
24 year; or

25 (B) for a term of more than 2 years.

1 (2) LIMITATION ON USE OF FUNDS.—Funds
2 made available under this section may not be used
3 for—

4 (A) any purpose other than those associ-
5 ated with the direct costs incurred by the eligi-
6 ble educational institution to—

7 (i) develop and implement the cur-
8 riculum described in subsection (b)(1); or

9 (ii) organize and operate a small busi-
10 ness development center, as described in
11 subsection (b)(2); or

12 (B) building expenses, administrative trav-
13 el budgets, or other expenses not directly re-
14 lated to the costs described in subparagraph
15 (A).

16 (d) MATCHING NOT REQUIRED.—Subparagraphs (A)
17 and (B) of section 21(a)(4) of the Small Business Act (15
18 U.S.C. 648(a)(4)) shall not apply to a grant made under
19 this section.

20 (e) REPORT.—

21 (1) IN GENERAL.—Not later than November 1
22 of each year in which funds are made available for
23 grants under this section, the Associate Adminis-
24 trator of Entrepreneurial Development of the Ad-
25 ministration shall submit to the Committee on Small

1 Business and Entrepreneurship of the Senate and
2 the Committee on Small Business of the House of
3 Representatives, a report evaluating the success of
4 the program under this section during the preceding
5 fiscal year.

6 (2) CONTENTS.—Each report under paragraph
7 (1) shall include—

8 (A) a description of each entrepreneurship
9 program developed with grant funds, the date
10 of the award, and the number of participants in
11 each such program;

12 (B) the number of small business assisted
13 through the small business development center
14 with grant funds; and

15 (C) data regarding the economic impact of
16 the small business development center coun-
17 seling provided with grant funds.

18 (f) AUTHORIZATION OF APPROPRIATION.—There are
19 authorized to be appropriated to carry out this section
20 \$24,000,000 for each of fiscal years 2007 through 2009,
21 to remain available until expended.

22 (g) LIMITATION ON USE OF OTHER FUNDS.—The
23 Administrator shall carry out this section only with
24 amounts appropriated in advance specifically to carry out
25 this section.

1 **SEC. 6. MINORITY ACCESS TO INFORMATION DISTANCE**

2 **LEARNING PILOT PROGRAM OF 2007.**

3 (a) IN GENERAL.—The Administrator may make
4 grants to eligible associations and organizations to—

5 (1) assist in establishing the technical capacity
6 to provide online or distance learning for businesses
7 seeking to contract with the Federal Government;

8 (2) develop curriculum for seminars that will
9 provide businesses with the technical expertise to
10 contract with the Federal government; and

11 (3) provide training and technical expertise
12 through distance learning at low cost, or no cost, to
13 participant business owners and other interested
14 parties.

15 (b) USE OF FUNDS.—An eligible association or orga-
16 nization receiving a grant under this section shall develop
17 a curriculum that includes training in various areas need-
18 ed by the owners of small business concerns to successfully
19 contract with the Federal Government, which may include
20 training in accounting, marketing to the Federal Govern-
21 ment, applying for Federal certifications, use of offices of
22 small and disadvantaged businesses, procurement con-
23 ferences, the scope of Federal procurement contracts, and
24 General Services Administration schedules.

25 (c) GRANT AWARDS.—

1 (1) IN GENERAL.—The Administrator may not
2 award a grant under this section to a single eligible
3 association or organization—

4 (A) in excess of \$250,000 in any fiscal
5 year; or

6 (B) for a term of more than 2 years.

7 (2) LIMITATION ON USE OF FUNDS.—Funds
8 made available under this section may not be used—

9 (A) for any purpose other than those asso-
10 ciated with the direct costs incurred by the eli-
11 gible association or organization to develop the
12 curriculum described in subsection (b); or

13 (B) for building expenses, administrative
14 travel budgets, or other expenses not directly
15 related to the costs described in subparagraph
16 (A).

17 (d) MATCHING NOT REQUIRED.—Subparagraphs (A)
18 and (B) of section 21(a)(4) of the Small Business Act (15
19 U.S.C. 648(a)(4)) shall not apply to a grant made under
20 this section.

21 (e) REPORT.—

22 (1) IN GENERAL.—Not later than November 1
23 of each year, the Associate Administrator of Entre-
24 preneurial Development of the Administration shall
25 submit to the Committee on Small Business and En-

1 entrepreneurship of the Senate and the Committee on
 2 Small Business of the House of Representatives, a
 3 report evaluating the success of the program under
 4 this section during the preceding fiscal year.

5 (2) CONTENTS.—Each report under paragraph
 6 (1) shall include—

7 (A) a description of each distance learning
 8 program developed with grant funds under this
 9 section, the date of the award, and the number
 10 of participants in each program; and

11 (B) data regarding the economic impact of
 12 the distance learning technical assistance pro-
 13 vided with such grant funds.

14 (f) AUTHORIZATION OF APPROPRIATIONS.—There
 15 are authorized to be appropriated to carry out this section
 16 \$4,000,000 for each of fiscal years 2007 through 2009,
 17 to remain available until expended.

18 (g) LIMITATION ON USE OF OTHER FUNDS.—The
 19 Administrator shall carry out this section only with
 20 amounts appropriated in advance specifically to carry out
 21 this section.

22 **SEC. 7. EXTENSION OF SOCIALLY AND ECONOMICALLY DIS-**
 23 **ADVANTAGED BUSINESS PROGRAM.**

24 (a) IN GENERAL.—Section 7102(c) of the Federal
 25 Acquisition Streamlining Act of 1994 (15 U.S.C. 644

1 note) is amended by striking “September 30, 2003” and
2 inserting “September 30, 2009”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall take effect 30 days after the date of en-
5 actment of this Act.

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